

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 IO-13 L-03 H-01 PA-01 NEA-10  
AID-05 CIAE-00 COME-00 EB-08 FRB-03 INR-10  
NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01  
OMB-01 NSC-05 SS-15 STR-07 CEA-01 /117 W  
-----089655 280554Z /16

R 271017Z JUL 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 9221

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USADB

FOR NAC AGENCIES

EO 11652:N/A  
TAGS: EAID, EFIN ADB  
SUBJECT: REVIEW OF ADB LENDING RATE

REF: (A) TREASURY 78-104, (B) MANILA 11485, (C) MANILA  
- 11931

1. ON JULY 27, THE BOARD OF DIRECTORS UNANIMOUSLY  
APPROVED THE PRESIDENT'S PROPOSAL TO KEEP THE LENDING RATE  
AT 7.70 PERCENT ON ORDINARY CAPITAL LOANS APPROVED  
BETWEEN JULY 1 AND DECEMBER 31, 1978.

2. IN SUPPORTING PROPOSAL, U.S. EXECUTIVE DIRECTOR NOTED  
THAT IT NEEDED TO BE KEPT IN MIND THAT THERE WAS A  
RELATIONSHIP BETWEEN THE ADB AND IBRD LENDING RATES,  
ALTHOUGH TO WHAT DEGREE DEPENDS ON THE CIRCUMSTANCES AT  
ANY PARTICULAR TIME. USED SAID HE THOUGHT SOME LANGUAGE  
IN THE BOARD DOCUMENT MIGHT INADVERTENTLY HAVE IMPLIED  
COMPLETE INDEPENDENCE BETWEEN THE TWO INSTITUTIONS ON  
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THIS ISSUE. THE JAPANESE ED ASKED FOR CONFIRMATION THAT  
IT IS STILL BANK POLICY TO GENERALLY FOLLOW THE TREND OF  
THE IBRD, AND THAT THE PROPOSAL TO KEEP THE SAME RATE FOR  
THE REMAINDER OF THIS YEAR IS AN EXCEPTIONAL SITUATION.

3. PRESIDENT YOSHIDA REMARKED THAT THE PRESENT SITUATION  
WAS MOST UNUSUAL AND RESULTS BASICALLY FROM THE FACT THAT

THE IBRD REVIEWS ITS LENDING RATE EACH QUARTER. THIS, IS NOT A DESIRABLE ARRANGEMENT. HE EXPRESSED HIS BELIEF THAT THIS BANK SHOULD FOLLOW A POLICY OF SETTING THE RATE ONCE A YEAR AT THE BEGINNING OF THE YEAR. HIS COMMENT WAS MADE AFTER THE FRENCH DIRECTOR HAD EXPRESSED UNEASE WITH THIS BANK GIVING THE APPEARANCE NOW OF DIVERGING FROM THE DECISION TAKEN LAST FEBRUARY WHICH IMPLICITLY INDICATED A QUARTERLY REVIEW. EDMOND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, INTEREST RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978MANILA12888  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780309-0652  
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**Litigation History:**  
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**Message ID:** 5437d76b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 MANILA 11485  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** REVIEW OF ADB LENDING RATE  
**TAGS:** EAID, EFIN, RP, ADB  
**To:** STATE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014